



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

10-31-16
11:36 AM

Application of Southern California Edison Company (U338E) for Authority to Increase its Authorized Revenues for Electric Service in 2018, among other things, and to Reflect that increase in Rates.	Application 16-09-001 (Filed September 1, 2016)
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**NOTICE OF INTENT TO CLAIM INTERVENOR COMPENSATION
AND, IF REQUESTED (and [X]¹ checked), ADMINISTRATIVE LAW JUDGE'S
RULING ON THE UTILITY REFORM NETWORK'S SHOWING OF SIGNIFICANT
FINANCIAL HARDSHIP**

Customer (party intending to claim intervenor compensation): The Utility Reform Network	
Assigned Commissioner: Michael Picker	Assigned ALJ: Stephen Roscow and Eric Wildgrube
I hereby certify that the information I have set forth in Parts I, II, III and IV of this Notice of Intent (NOI) is true to my best knowledge, information and belief. I further certify that, in conformance with the Rules of Practice and Procedure, this NOI has been served this day upon all required persons (as set forth in the Certificate of Service attached as Attachment 1).	
Signature:	/s/
Date: 10/31/2016	Printed Name: Robert Finkelstein

PART I: PROCEDURAL ISSUES

(To be completed by the party ("customer") intending to claim intervenor compensation)

A. Status as "customer" (see Pub. Util. Code § 1802(b)): The party claims "customer" status because the party is (check one):	Applies (check)
1. A Category 1 customer is an actual customer whose self-interest in the proceeding arises primarily from his/her role as a customer of the utility and, at the same time, the customer must represent the broader interests of at least some other customers. In addition to describing your own interest in the proceeding you must show how your participation goes beyond just your own self-interest and will benefit other	<input type="checkbox"/>

¹ TURN has recently submitted to other Notices of Intent that included TURN's showing of significant financial hardship (in A.16-06-013 (PG&E GRC Phase 2), filed October 11, 2016, and in A.15-09-013 (SDG&E and SoCalGas "Pipeline Safety & Reliability Project"), filed October 24, 2016). If the a finding of significant hardship is made in either of those proceedings prior to any ruling on the instant Notice of Intent, the rebuttable presumption of eligibility under Section 1804(b)(1) would apply to the instant request.

customers. See, for example, discussion in D.08-07-019 at 5-10.	
<p>2. A Category 2 customer is a representative who has been authorized by actual customers to represent them. Category 2 involves a more formal arrangement where a customer or a group of customers selects a more skilled person to represent the customer's views in a proceeding. A customer or group of customers may also form or authorize a group to represent them, and the group, in turn, may authorize a representative such as an attorney to represent the group.</p> <p>A representative authorized by a customer must identify the residential customer(s) being represented and provide authorization from at least one customer (D.98-04-059 at 30).</p>	<input type="checkbox"/>
<p>3. A Category 3 customer is a formally organized group authorized, by its articles of incorporation or bylaws to represent the interests of residential customers or small commercial customers receiving bundled electric service from an electrical corporation.² Certain environmental groups that represent residential customers with concerns for the environment may also qualify as Category 3 customers, even if the above requirement is not specifically met in the articles or bylaws.</p>	x
<p>4. The party's explanation of its customer status must include the percentage of the intervenors members who are residential ratepayers or the percentage of the intervenors members who are customers receiving bundled electric service from an electrical corporation, and must include supporting documentation: (i.e., articles of incorporation or bylaws).</p> <p>TURN is a Category 3 "group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential ratepayers." TURN provided the relevant portion of our articles of incorporation in the NOI submitted in A.98-02-017, and again in A.99-12-024. The articles of incorporation have not changed since the time of those earlier submissions. At the request of the assigned ALJ in A.10-11-015, in 2011 TURN provided the Commission with our articles of incorporation once again in an amendment to our NOI filed in that proceeding.</p> <p>TURN has approximately 20,000 dues-paying members, of whom we believe the vast majority are residential ratepayers. TURN does not poll our members in a manner that would allow a precise breakdown between residential and small business members, so a precise percentage is not available.</p>	

² Intervenors representing either a group of residential customers or small commercial customers who receive bundled electric service from an electrical corporation, must indicate in Part I, Section A, Item #4 of this form, the percentage of their members who are residential customers or the percentage of their members who receive bundled electric service from an electrical corporation. The NOI may be rejected if this information is omitted.

Identify all attached documents in Part IV.

Do you have any direct economic interest in outcomes of the proceeding?³ NO
If so, explain:

B. Conflict of Interest (§ 1802.3)	Check
1. Is the customer a representative of a group representing the interests of small commercial customers who receive bundled electric service from an electrical corporation? ⁴	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. If the answer to the above question is “Yes”, does the customer have a conflict arising from prior representation before the commission?	<input type="checkbox"/> Yes <input type="checkbox"/> No

C. Timely Filing of Notice of Intent (NOI) (§ 1804(a)(1)):	Check
1. Is the party’s NOI filed within 30 days after a Prehearing Conference? Date of Prehearing Conference: 10/25/2016 _____	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Is the party’s NOI filed at another time (for example, because no Prehearing Conference was held, the proceeding will take less than 30 days, the schedule did not reasonably allow parties to identify issues within the timeframe normally permitted, or new issues have emerged)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2a. The party’s description of the reasons for filing its NOI at this other time:	

³ See Rule 17.1(e).

⁴ TURN’s primary charge is to represent the interests of residential customers. In many instances, the issues in a Commission proceeding implicate similar if not identical interests for small commercial customers. In those instances, TURN often represents the interests of small commercial customers as well as residential customers. However, for purposes of Section 1802.3, TURN’s assessment is that it is not a customer representing the interests of small commercial customers who received bundled electric service.

2b. The party's information on the proceeding number, date, and decision number for any Commission decision, Commissioner ruling, ALJ ruling, or other document authorizing the filing of NOI at that other time:

PART II: SCOPE OF ANTICIPATED PARTICIPATION
(To be completed by the party ("customer") intending to claim intervenor compensation)

A. Planned Participation (§ 1804(a)(2)(A)(i)):

The party's statement of the issues on which it plans to participate:

As in recent GRCs for the major energy utilities, TURN expects to address all the major components of the revenue requirement (expense, taxes, depreciation), including evaluating numerous capital and expense cost issues related to transmission and distribution and the other various functions of SCE's electric utility service, and other functions common to the array of utility operations (customer service costs, operations support, administrative and general expenses, human resources, etc.).

The party's explanation of how it plans to avoid duplication of effort with other parties:

The Commission's Office of Ratepayer Advocates (ORA) is also a party to this proceeding and, like TURN, generally represents ratepayer interests by addressing a broad range of revenue requirement and other issues. A number of other intervenors appear likely to play an active role in this proceeding on behalf of ratepayers, including but not limited to the National Diversity Coalition (NDC), Consumer Federation of California (CFC), Small Business Utility Advocates (SBUA), and Concerned Irvine Business Citizens. In TURN's experience, the other consumer interest intervenors tend to focus on more specific subsets of issues, and coordination will focus on identifying those subsets in order to avoid duplication where possible. As in past GRCs, TURN expects to coordinate closely with ORA and, to the extent practicable, with other intervenors with interests similar to ours in order to minimize potential overlap in issues and to ensure that where such overlap occurs, each party is presenting a unique analysis.

The party's description of the nature and extent of the party's planned participation in this proceeding (to the extent that it is possible to describe on the date this NOI is filed).

TURN has already participated actively in this proceeding, including initiating discovery, filing a protest, and participating in the prehearing conference. TURN intends to continue our active participation by conducting further discovery, preparing intervenor testimony, preparing rebuttal

testimony, participating in evidentiary hearings, preparing opening and reply briefs, reviewing SCE's update testimony and participating in update testimony-related proceedings, filing any other necessary pleadings, and responding to the proposed decision.

B. The party's itemized estimate of the compensation that the party expects to request, based on the anticipated duration of the proceeding (§ 1804(a)(2)(A)(ii)):

Item	Hours	Rate \$	Total \$	#
ATTORNEY, EXPERT, AND ADVOCATE FEES				
Robert Finkelstein	600	\$510	\$306,000	
Marcel Hawiger	250	\$415	\$103,750	
Thomas Long	250	\$575	\$143,750	
Elise Torres	250	\$230	\$57,500	
Nina Suetake	250	\$350	\$83,750	
JBS Energy – Expert Witness services on			\$300,000	
Diversified Utility Consultants, Inc. –			\$85,000	
Other Expert Consultants			\$150,000	
<i>Subtotal: \$1,233,500</i>				
OTHER FEES				
[Person 1]				
[Person 2]				
<i>Subtotal: \$</i>				
COSTS				
Postage and photocopying			\$1000	
Computerized research fees			\$750	
Travel-related expenses			\$1,750	
<i>Subtotal: \$3,500</i>				
TOTAL ESTIMATE: \$1,237,000				

Estimated Budget by Issues:

At this early juncture in the proceeding, TURN can only provide a very rough estimate of the allocation of our estimated costs by issue area.

- Transmission and Distribution – 15%
- Electric Generation – 10%
- Customer Service – 10%
- Human Resources – 10%
- Administrative and General – 10%
- Operations Support – 10%
- Depreciation – 10%
- Tax and Working Cash – 10%

-- Other Issues – 15%

When entering items, type over bracketed text; add additional rows to table as necessary. Estimate may (but does not need to) include estimated Claim preparation time. Claim preparation is compensated at ½ professional hourly rate.

PART III: SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP

(To be completed by party (“customer”) intending to claim intervenor compensation; see Instructions for options for providing this information)

A. The party claims “significant financial hardship” for its Intervenor Compensation Claim in this proceeding on the following basis:	Applies (check)
1. “[T]he customer cannot afford, without undue hardship, to pay the costs of effective participation, including advocate’s fees, expert witness fees, and other reasonable costs of participation” (§ 1802(g)); or	<input type="checkbox"/>
2. “[I]n the case of a group or organization, the economic interest of the Individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding” (§ 1802(g)).	X
3. A § 1802(g) finding of significant financial hardship in another proceeding, made within one year prior to the commencement of this proceeding, created a rebuttable presumption in this proceeding (§ 1804(b)(1)).	<input type="checkbox"/>
ALJ ruling (or CPUC decision) issued in proceeding number:	
Date of ALJ ruling (or CPUC decision):	

B. The party’s explanation of the factual basis for its claim of “significant financial hardship” (§ 1802(g)) (necessary documentation, if warranted, is attached to the NOI):

TURN is making its annual showing on financial hardship and is seeking a finding of significant financial hardship in this proceeding. TURN has attached an updated version of the narrative that has served to establish financial hardship in prior rulings addressing the organization’s eligibility for intervenor compensation. (As noted earlier, this showing on financial hardship is already before the Commission in the NOI served in A.16-06-013 (PG&E Phase 2) and A.15-09-013 (Sempra Utilities Pipeline).)

PART IV: ATTACHMENTS DOCUMENTING SPECIFIC ASSERTIONS MADE IN THIS NOTICE

(The party (“customer”) intending to claim intervenor compensation identifies and attaches documents; add rows as necessary)

Attachment No.	Description
1	Certificate of Service
2	TURN Showing on Financial Hardship

ADMINISTRATIVE LAW JUDGE RULING⁵
(ALJ completes)

1. The Notice of Intent (NOI) is rejected for the following reasons:

- a. The NOI has not demonstrated the party's status as a customer for the following reason(s):

- b. The NOI has not demonstrated that the NOI was timely filed (Part I(B)) for the following reason(s):

- c. The NOI has not adequately described the scope of anticipated participation (Part II, above) for the following reason(s):

2. The NOI has demonstrated significant financial hardship for the reasons set forth in Part III (above).

3. The NOI has not demonstrated significant financial hardship for the following reason(s):

4. The ALJ provides the following additional guidance (*see* §1804(b)(2)):

IT IS RULED that:

1. The Notice of Intent is rejected.	
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⁵ An ALJ Ruling needs not be issued unless: (a) the NOI is deficient; (b) the ALJ desires to address specific issues raised by the NOI (to point out similar positions, areas of potential duplication in showings, unrealistic expectations for compensation, or other matters that may affect the customer's Intervenor Compensation Claim); or (c) the NOI has included a claim of "significant financial hardship" that requires a finding under § 1802(g).

2. Additional guidance is provided to the customer as set forth above.	
3. The customer has satisfied the eligibility requirements of Pub. Util. Code § 1804(a).	
4. The customer has shown significant financial hardship.	
5. The customer is preliminarily determined to be eligible for intervenor compensation in this proceeding. However, a finding of significant financial hardship in no way ensures compensation.	

Dated _____, at San Francisco, California.

Administrative Law Judge

Attachment 1:
Certificate of Service by Customer

I hereby certify that I have this day served a copy of the foregoing **NOTICE OF INTENT TO CLAIM INTERVENOR COMPENSATION** by (check as appropriate):

- ☐ hand delivery;
- ☐ first-class mail; and/or
- ☐ electronic mail

to the following persons appearing on the official Service List:

[Insert names and addresses from official Service List]

Executed this [day] day of [month], [year], at [city], California.

[Signature]

[Typed name and address]

Attachment 2

Showing of TURN's Financial Hardship

TURN is making its annual showing of significant financial hardship at this time. The definition of the term "significant financial hardship" is found in Section 1802(g) of the Public Utilities Code:

"Significant financial hardship" means either that the customer cannot without undue hardship afford to pay the costs of effective participation, including advocate's fees, expert witness fees, and other reasonable costs of participation, or that, in the case of a group or organization, the economic interest of the individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding.

TURN represents an interest – the residential customer class – that would not otherwise be adequately represented in this proceeding. For decades this Commission has consistently recognized that adequate representation requires not only the efforts of the Office of Ratepayer Advocates but also the participation of interested parties. In D.85-06-028, issued in A.85-01-034, the Commission rejected the company's arguments that ORA (then known as the Public Staff Division) could fully occupy the field of residential ratepayer representation:

It is in the public interest that PacBell's application be fully investigated and aired through our hearing process. Given the breadth and complexity of the issues presented and the potential impact on residential customers, we can easily conclude that adequate representation requires the participation not only of our Public Staff Division but also of other parties such as TURN. Participation by several parties helps to ensure that the record is fully developed and that many and varied proposals are presented on the issues. If we ever reach the point that there are a large number of experienced and highly-effective groups or individuals participating in addition to our Public Staff it could be harder to reach such a conclusion but for now the larger utilities have a much greater depth of resources to commit to the ratemaking arena than do any of the parties representing residential ratepayers, including our Public Staff. We conclude then, that adequate representation of the residential ratepayer under these circumstances requires participation of additional parties, specifically in this case the participation of TURN. (D.85-06-028 at 2-3)

The same considerations continue to apply. TURN continues to represent the overall interests of the residential ratepayer class, as well as the interests of its approximately 20,000 individual members. As this Commission has repeatedly recognized, the economic interests of these individual members are tiny in comparison to the costs of effective participation in CPUC proceedings:

It is obviously impractical for individual residential ratepayers to do much other than to send us letters or make brief statements at our public hearings, and while we appreciate such input it does not develop evidence of record upon which we can make findings of fact as required by law in connection with determining revenue requirement or rate changes. Realistically, then, there must be organized groups which participate on behalf of residential ratepayers on an ongoing basis with a reserve of experience and resources so that they can follow the continuing chain of ratemaking proceedings and participate effectively. We agree with TURN that it would simply not be “cost effective for individual residential ratepayers ... to mount these expenditures [TURN's estimated budget for participation] separately on their own behalf.” (D.85-06-028, p.3)

On a continuous basis since the intervenor compensation rules were adopted, this Commission has found that TURN, as an organization representing individual residential ratepayers, qualifies as a customer suffering significant financial hardship.⁶ TURN continues to represent the same constituency, and the economic interests of those individual customers continue to be small in comparison to the costs of effective participation in CPUC proceedings.

Past Commission decisions have made it clear that, in the case of an organization such as TURN, the test for significant financial hardship looks to the economic interests of the individual members of the group in comparison with the costs of effective participation. Nonetheless, TURN has traditionally included in these filings a summary of the organization's financial position. While neither the statute nor the Commission's current Rules of Practice and

⁶ Rather than list all such decisions or rulings that include this finding, TURN cites a few of the earliest (D.86-02-039; D.87-04-032; and D.88-07-035) and the three most recent (the ruling of ALJ Pulsifer dated September 6, 2013 in A.12-11-009, the ruling of ALJ Kenney dated September 5, 2014 in R.14-05-001, and the ruling of ALJ Bemserfer dated August 6, 2015 in A.15-03-005).

Procedure specifically requires such a showing, TURN is supplying the information here for the Commission's information.

TURN is a tax-exempt non-profit corporation, organized under the laws of the State of California in January 1973. In recent years TURN has relied primarily upon membership contributions generated by its direct mail campaign and intervenor compensation awards from this Commission as its sources of income. From time to time, TURN also derives income from grants, contracts, and other special fund-raising projects. No funds from any of these latter sources have been obtained to directly support TURN's participation in this proceeding.

TURN's total income for the fiscal year ended June 30, 2015,⁷ was approximately \$5.52 million, an increase of approximately 85% over the prior fiscal year. The magnitude of the increase is due primarily to timing of receipt of intervenor compensation awards, which can have a large impact on TURN's reported income in any given year.⁸ Compensation awards contributed about \$5.05 million toward that total, or approximately 91% of TURN's total income. TURN's expenses for the fiscal year totaled about \$4.44 million, leaving the organization with an end-of-fiscal-year fund balance of about \$4.35 million, and an operating surplus for the fiscal year of about 1.09 million. Thus, the balance was slightly less than a one-year cash reserve. While TURN's financial situation continues to be more solid at present than it has been at times in the past, the ebb and flow of intervenor compensation awards continues to present budgeting challenges to the organization.

Although other options are being pursued continually, TURN again expects to rely on individual donations and intervenor compensation awards for the bulk of its operating income in

⁷ This NOI is filed while TURN is in the process of preparing for its annual audit for purposes of preparing TURN's annual report for the fiscal year 2015-16. Therefore TURN is using the audited figures from the 2014-15 fiscal year, consistent with its practices in past requests for a finding of financial eligibility.

⁸ For example, in the 2013-14 fiscal year, TURN's income was approximately 52% below that of the previous fiscal year, in large part again due to timing of intervenor compensation awards.

fiscal year 2016-17. As always, the level of TURN's future income from these sources remains quite speculative. At the same time, operating expenses are likely to remain high because of the continuing heavy workload at the Commission.

As is obvious from the above information, intervenor compensation awards represent a significant and indeed critical portion of TURN's total budget. Absent eligibility for such awards, TURN's resources would be grossly inadequate compared to the costs of effective participation in CPUC proceedings, and TURN's primary mission to advocate before this Commission on behalf of consumers would be substantially impaired. Clearly TURN would suffer significant financial hardship if denied eligibility for compensation in the coming year.

TURN submits that the information provided above more than satisfies the requirements for the annual finding of "significant financial hardship." TURN therefore asks this Commission for a prompt determination of its eligibility for compensation in this proceeding.